

Message Text

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ACTION NODS-00

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FM AMEMBASSY BONN
TO SECSTATE WASHDC IMMEDIATE 5776

S E C R E T SECTION 01 OF 03 BONN 03104

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E.O. 11652: XGDS-1
TAGS: PARM, TECH, MNUC, GW, BR
SUBJECT: FRG-BRAZIL AGREEMENT: CONSULTATIONS WITH
STATE SECRETARY HERMES.

REF: (A) STATE 032301; (B) BONN 02721; (C) BONN
03014 (ALL NODIS)

1. SUMMARY: I CALLED ON STATE SECRETARY HERMES TO
MAKE POINTS IN REF A AND TO FOLLOW UP CALLS REPORTED
IN REFS B AND C. HERMES CONFIRMED THAT HE HAD
REPORTED TO THE CHANCELLOR AND THE CABINET THAT HIS
TALKS WERE CONDUCTED IN A "PERFECT" ATMOSPHERE OF
MUTUAL UNDERSTANDING. WITH LITTLE ENCOURAGEMENT
(DEPUTY ASSISTANT SECRETARY DITTMANN PRESENT), HERMES
REVIEWED AGAIN GERMAN VIEWS ABOUT THE SITUATION. I
RESPONDED BRIEFLY, AS APPROPRIATE. THE FOLLOWING HIGH-
LIGHTS OF HIS REMARKS CONFIRM DELAY (BUT NOT .
INDEFINITE DELAY) IN ISSUING THE EXPORT LICENSES, REPORT
THE FIRM GERMAN CONVICTION THAT FAILURE TO DELIVER THE
SENSITIVE FACILITIES WOULD COST THEM THE WHOLE DEAL AND
PROPOSE THAT IMPROVED SAFEGUARDS AND "ATTRACTIVE"
MULTINATIONAL OPPORTUNITIES ARE THE SOLUTION TO THE
PROBLEM. THE FRG EXPECTS A VISIT BY DEPUTY SECRETARY
CHRISTOPHER AFTER HE RETURNS FROM BRAZIL. END SUMMARY.

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2. EXPORT LICENSES: I ASKED ABOUT THE STATUS OF THE
LICENSES FOR EXPORT OF SENSITIVE TECHNOLOGIES. HERMES
CONFIRMED THAT THE LICENSES HAD NOT BEEN ISSUED AND THAT
ACTION HAS BEEN DEFERRED. THE CABINET HAD MADE AN EARLIER
DECISION IN PRINCIPLE THAT THE LICENSES WILL BE ISSUED.
THE CABINET HAS NOT, HOWEVER, SET A DATE FOR THIS ACTION .

THE QUESTION IS STILL OPEN AND HERMES ASSURED ME THAT THE U.S. WILL BE INFORMED BEFORE THE LICENSES ARE ISSUED.

3. GERMAN CONTACTS WITH THE BRAZILIANS:

A. FRG HAS INFORMED BRAZIL ABOUT THE GENERAL CONTENT OF US-FRG CONSULTATIONS BUT NOT ABOUT EVERY DETAIL. I ASKED ABOUT BRAZILIAN REACTION. HERMES RESPONDED EMPHATICALLY THAT THE BRAZILIANS HAD SAID: "GO AHEAD WITH THE EXPORT. DON'T LOSE TIME." BRAZIL BELIEVES THE AGREEMENT IS BINDING IN ITS ENTIRETY AND SAYS IT WILL ACCEPT NO OTHER SOLUTION.

B. FRG HAS NO REASON TO BELIEVE BRAZIL WILL CHANGE ITS POSITION. BRAZILIANS HAVE MADE IT VERY CLEAR THAT IF PART OF THE DEAL IS CANCELLED, THE WHOLE BUSINESS WILL COLLAPSE. IN RESPONSE TO MY QUESTION, HERMES REITERATED: BRAZIL WILL NOT PURCHASE THE REACTORS IF THEY DO NOT GET THE SENSITIVE TECHNOLOGY. HE COMMENTED THAT U.S. WILLINGNESS TO APPROVE THE REACTOR SALE REALLY DOES NOT HELP MUCH IN THIS SITUATION. OUR STATEMENTS IN THIS REGARD HAVE "FALLEN INTO A VOID".

C. HERMES OBSERVED THAT IT HAD BEEN REALLY DIFFICULT TO EXPLAIN TO THE BRAZILIANS WHY THE FRG WAS CONSULTING SO INTENSIVELY WITH THE U.S. THE BRAZILIANS FEEL THEIR NATIONAL PRESTIGE HAS BEEN HURT. THEY ASKED ABOUT GERMAN DEPENDENCE ON THE U.S. AND WONDERED ABOUT THE SECRET

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EXTENT TO WHICH GERMAN POLICY WAS FORMED BY THE U.S. AND ITS NEW PRESIDENT. REACTIONS FROM OTHER COUNTRIES-- INCLUDING A LETTER FROM MEXICO (SOURCE UNSPECIFIED) NOW ON HERMES DESK-- MAKE IT CLEAR THAT OTHER COUNTRIES WERE WATCHING THIS SITUATION AS AN INDICATION OF THE EXTENT TO WHICH THEY CAN RELY ON GERMAN COMMITMENTS. THE FRG WAS NOT AWARE OF ANY CURRENT NEGATIVE REACTION TOWARD THE BRAZILIAN DEAL BY ANY LATIN AMERICAN COUNTRY NOR HAD THEY SEEN CONVINCING EVIDENCE THAT BRAZIL DID INTEND TO BUILD NUCLEAR WEAPONS. WHEN I SAID I UNDERSTOOD THAT AT LEAST A FEW COUNTRIES IN LATIN AMERICA MIGHT HAVE RESERVATIONS ABOUT THE DEAL, HERMES REITERATED THAT THE FRG HAS NO INFORMATION TO THAT EFFECT.

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D. FRG WISHED CHRISTOPHER SUCCESS ON HIS MISSION TO BRAZIL. GERMANY HAD DONE NOTHING TO MAKE HIS TRIP DIFFICULT AND, AS HERMES HAD MADE CLEAR IN WASHINGTON, THE FRG WOULD NOT STAND IN THE WAY OF WHATEVER THE U.S. COULD WORK OUT. HOWEVER, FRG COULD NOT BE A PARTY TO THESE U.S. CONTACTS WITH BRAZIL AND HAD ALWAYS AVOIDED SAYING THAT THE FRG-BRAZIL AGREEMENT WAS THE SOLE TOPIC OF CONSULTATIONS WITH THE U.S. HERMES WONDERED WHETHER BRAZIL WOULD ACTUALLY BE WILLING TO DISCUSS THE FRG-BRAZIL BILATERAL AGREEMENT WITH CHRISTOPHER.

4. PRESENT GERMAN VIEWS:

A. HERMES APPRECIATED THAT THE U.S. WAS SEEKING NEW ANSWERS TO THE PROLIFERATION PROBLEM AND HE UNDERSTOOD THE SERIOUSNESS OF OUR VIEWS. HE HAD NEVER BELIEVED THAT OUR MOTIVES WERE COMMERCIAL, NOR HAD THE FRG EVER SUGGESTED THAT THIS WAS THE CASE. HOWEVER, HE DID BELIEVE THAT IT WOULD BE IMPOSSIBLE TO DELAY ALL ACTION-INCLUDING IMPLEMENTATION OF FORMAL TREATIES WHICH COMPLIED WITH ALL EXISTING REQUIREMENTS-- UNTIL THESE ANSWERS WERE FOUND. IT WOULD TAKE TIME TO DEVELOP THE
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NEW CONSENSUS AND THE NECESSARY INTERNATIONAL COMMIT-
MENTS.

B. HERMES EXPLAINED HE HAD EMPHASIZED IN WASHINGTON THAT THE NEW NON-PROLIFERATION POLICIES SHOULD FIRST BE IMPLEMENTED IN THE EXISTING CONTEXT, I.E. BY TIGHTENING SAFEGUARDS CONTROLS. THE FRG WOULD BE WILLING TO CONTRIBUTE TO THIS OBJECTIVE WITHIN NPT ARTICLE IV, I.E. NO DISCRIMINATION IN ANY FORM. IT WOULD BE IMPOSSIBLE TO IMPOSE ANYTHING ON THE THIRD WORLD. DENIAL OF SENSITIVE FACILITIES WAS NOT, HE BELIEVED, THE ANSWER TO THE PROBLEM NOR SHOULD OUR ATTITUDES BE INFLEXIBLE. SUCH A POSITION WOULD SIMPLY FORCE A NATION TO GO IT ALONE. WE COULD NOT CONTROL THE WHOLE WORLD. A COMPROMISE MIGHT BE FOUND IF IT WERE POSSIBLE TO OFFER A MULTINATIONAL SOLUTION SO "ATTRACTIVE" TO BRAZIL (AND OTHER NATIONS) THAT IT WAS A CHOICE THEY WOULD WILLINGLY MAKE.

C. I ASKED FOR SPECIFIC EXAMPLES. HERMES SPECULATED THAT A U.S. ROLE IN "UNITED REPROCESSORS" MIGHT BE POSSIBLE TO CREATE A TRULY JOINT VENTURE UNDER JOINT MANAGEMENT IN THE REPROCESSING FIELD. HE SEEMED PUZZLED ABOUT THE U.S. OFFER TO GUARANTEE SUPPLIES OF ENRICHED URANIUM FOR BRAZIL AND ASKED WHETHER WE INTENDED TO BLOCK SHIPMENTS OF ENRICHED URANIUM FROM URENCO, AS WELL AS THE SENSITIVE FACILITIES. WE CONFIRMED THAT THIS WOULD BE A "BACK UP" GUARANTEE TO DIMINISH BRAZILIAN DEPENDENCE UPON A SINGLE SUPPLIER AS AN ALTERNATIVE TO THE SENSITIVE ENRICHMENT FACILITY.

D. HERMES WAS CONFIDENT THAT A NATION LIKE BRAZIL COULD BUILD NUCLEAR WEAPONS IF IT SO DECIDED. THE PRESENT U.S. POLICY CONVEYED THE IMPRESSION THAT WE BELIEVED THAT DENYING THE SENSITIVE FACILITIES COULD PREVENT THE ACQUISITION OF WEAPONS. NO ONE ELSE SHARED THIS VIEW. I COMMENTED THAT THIS RATIONALE DID NOT
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JUSTIFY DIRECT ASSISTANCE IN ACQUIRING SENSITIVE TECHNOLOGIES NOR THE CREATION OF AN UNDESIRABLE PRECEDENT. HERMES RESPONDED THAT THE FRG-BRAZIL DEAL

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WOULD NOT BE THE ROUTE OF CHOICE WERE A NATION
DETERMINED TO ACQUIRE WEAPONS. IT WAS TOO EXPENSIVE AND
TOOK TOO LONG. I ARGUED IN FAVOR OF "INDEFINITE DEFER-
RAL" OF DELIVERY OF THESE SENSITIVE FACILITIES
WHICH WOULD NOT, AS HERMES HAD JUST ACKNOWLEDGED,
CONTRIBUTE TO THE BRAZILIAN ECONOMY FOR A LONG
TIME. HERMES RESPONDED THAT IT WAS A "BOLD INTERPRETA-
TION" TO ARGUE THAT "INDEFINITE DEFERRAL" WOULD NOT
CONSTITUTE "ABROGATION" OF THE AGREEMENT.

E. NUCLEAR SUPPLIERS' CLUB SHOULD CONTINUE ITS
EFFORTS TO DEVELOP A CONSENSUS. HOWEVER, FRG BELIEVES
IT WOULD BE INADVISABLE TO MEET WITH SOVIETS (FOR
EXAMPLE) UNTIL BILATERAL US-FRG DIFFERENCES ARE RESOLVED .

5. HERMES VOLUNTEERED THE FOLLOWING SUGGESTIONS FOR
DEPUTY SECRETARY CHRISTOPHER'S MISSION TO BRAZIL:

- A. TRY TO MAKE A MULTILATERAL ALTERNATIVE ATTRACT-
IVE ENOUGH TO BE A VOLUNTARY CHOICE, AND
- B. TRY TO GET APPROVAL FOR NEW AND MORE EFFECTIVE
SAFEGUARDS. HERMES COMMENTED THAT THE U.S. HAS BEEN
NEGLECTING THIS APPROACH AS WE CONCENTRATED ON DENIAL OF
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SENSITIVE FACILITIES. HERMES ASKED ME TO GIVE DEPUTY
SECRETARY CHRISTOPHER HIS BEST, AND MOST SINCERE
WISHES FOR A SUCCESSFUL TRIP TO BRAZIL. HE HOPED THAT
A SOLUTION ACCEPTABLE TO BRAZIL COULD BE FOUND.

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